November 25, 2002

TO: Officials-in-Charge of Headquarters Offices

FROM: JI/Headquarters Quality Council Executive Secretary

SUBJECT: Headquarters Quality Council Meeting

The NASA Headquarters Quality Council met on October 30, 2002, from 1:30 to 3:30 p.m. in ACR-2. The list of attendees is included at Enclosure.

In accordance with the requirements of HQPC 1150.1, Headquarters Quality Council Charter, Michael Mann provided a presentation assessing the continuing suitability and effectiveness of the Headquarters Quality Management System. Dr. Richard Beck provided presentations on the NASA budget and strategic and performance planning. Copies of the presentations can be found at http://HQISO9000.hq.nasa.gov/project.htm. The following key points were made:

Mr. Mann
1. The May 2002 recertification audit to ISO 9001:2000 went well with only one minor nonconformance and three observations, none of which appear systemic. Each office and responsible organization needs to ensure the vitality of our planning. We have a strong structure of strategic and functional leadership plans, but we must ensure that there is a direct linkage among plans, measures of success, and corrective actions.

2. The planned internal audit of Performance Planning and Reporting was changed to auditing our progress in meeting the President's Management Agenda (PMA) for a variety of reasons mentioned in the brief. Key findings of the audit include--
    a. Four of the five PMA initiatives were audited. E-Government was not audited because the plan was undergoing extensive change and not available for review.
    b. There was very good participation by the PMA champions and their staff in the audit, and many strengths were identified by the auditors.
    c. The pervasive nature of process and responsibility change for the Financial Management and Integrated Budget and Performance initiatives require extensive Center and Enterprise support. The cultural change complexity may pose potential problems for these initiatives.
    d. We're making our deliverables to Office of Budget and Management (OMB) and moving from red to yellow for the Integrated Budget and Performance initiative. However, the same concerns that led us to not audit the Performance Planning and Reporting Process, i.e., changing concepts, roles, and processes raises possible concerns about this initiative.

e. For the Competitive Sourcing and Human Capital initiatives, there were serious concerns expressed by several participants about their ability to complete functional work, other mandates, and PMA initiative activities. We are not sure if the above is real or employee perception; however; the potential for morale and implementation problems exist. This is a bigger issue through the end of FY 2003.

f. Lack of an E-Government Action Plan raises concerns regarding the timely implementation of the initiative.

3. Fourteen (14) of the 17 actions assigned to the Council and Board chairs have been completed. Two of the actions were later revised. Mr. Gregory will address the open actions individually.

4. Future Quality Council meetings will include specific reports on customer information. The primary sources of this information will be surveyed, and presentations will be provided as necessary from the following:

a. Code B on the Strategic and Performance Plans and the Budget and their interactions with OMB;

b. Code L on their interactions with Congress related to NASA's performance;

c. The Administrator's correspondence related to NASA's performance as viewed by the White House, OMB, the Congress, and NASA stakeholders; and

d. Each of the Strategic Enterprise codes on their interactions with NASA stakeholders.

5. All actions from the April 24, 2002, Quality Council are closed except the Code B action to assemble and lead a team consisting of codes AE, M, R, S, U, and Y to minimize the duplication in documentation among the PCA, budget, and 300-B processes by October 31, 2002. However, this is being reworked as part of restructuring Integrated Budget and Performance Document. An extension is needed to align with current B milestones.

Dr. Beck
1. Agency budget reforms are well underway. Key points in support of this include--

a. The FY 2004 budget was submitted as a full-cost budget.

b. The budget has been restructured by themes.

c. The OMB Performance Assessment Rating Tool and OMB/Office of Science and Technology Policy Research & Development Investment Criteria have been employed.

d. Flight project templates have been submitted to OMB in a new integrated performance format. The full document is nearing completion with most templates having performance metrics.

e. The budget submit and hearing documentation have been submitted through the Web-based budget module.

f. The previously developed Full-Cost Implementation Plan was used by Centers and Enterprises to develop FY 2004 budget estimates.

g. The PMA objectives have been linked with Freedom to Manage efforts.

h. The Agency score for Integrated Budget and Performance is being raised to YELLOW.

i. The "next steps" budget submission schedule for the FY 2004 and FY 2005 budget formulation schedule was presented at a Leadership Council meeting in October 2002.

j. A Code B assessment of the traceability, consistency, timeliness, stability, and accuracy of the budget are all YELLOW. Early notification of problems and integration were both rated as GREEN. Program Approval Documentation was not rated, but improvement is expected over previous experience.

2. Next steps include--
   a. Discussing the new budget structure and full-cost budget with Congress,
   b. Working with Code FT to integrate full-cost training into existing resources and program management training,
   c. Tracking progress against the budget formulation and submission schedule milestones in the Senior Management and Enterprise Council weekly tag-ups, and
   d. Creating a Full-Cost Implementation Team with representation from the Enterprises and Centers to refine full-cost practices in the Implementation Guide based on experience thus far.

3. The strategic and performance planning architecture has been reengineered in consonance with the full-cost budget to better meet the PMA initiative goals for budget and performance integration.

4. Code B has been reorganized to better support the new architecture.

5. A 3-day performance review measure workshop was held on October 23-25, 2002. The purpose of the workshop was to identify characteristics of good performance measures and identify common and specific problems with the current suite of performance plan measures. The ultimate goal was to assist the Enterprises in improving their performance plan measures.

6. A Performance Report status was presented to illustrate the status of inputs.

An accelerated schedule for completing the NASA Strategic Plan was presented. The goal is for the plan to be complete by February 2003. The presentation provided a strengthened concept for strategic planning and for extending the new approach into Performance Planning and Reporting.

As a result of the meeting, the following actions were identified (due dates are in bold):

Responsible Organization	Action
H/Assistant Administrator for Procurement and **F**/Assistant Administrator for Human Resources and Education	• Provide an assessment of any resource requirements for full PMA implementation and apprise the Deputy Chief of Staff and the Comptroller by **June 30, 2003**.
AI/Chief Information Officer	• Establish the E-Government Action Plan and implementation schedule by **March 31, 2002**
BX/Director, Strategic Investments Division	• Define the implementing processes for Strategic Planning and Performance Planning and Reporting, and obtain the Deputy Chief of Staff concurrence by **March 31, 2003**.
JI/ISO 9001 Program Office	• Conduct a followup review to verify the effectiveness of modified Councils and Boards actions by **March 31, 2003**. • Schedule and complete a review of the E-Government initiative to meet the scope of the internal audit by **March 31, 2003**.

The next regularly scheduled meeting of the Headquarters Quality Council is scheduled for April 16, 2003, from 1– 3 p.m. in ACR-2. Officials-in-Charge are reminded that the HQ QMS requires an analysis of our customer and stakeholder inputs be presented at our Quality Council meetings, along with any appropriate recommendations. The purpose of the analysis is for the council to determine if any corrective or preventive actions are appropriate to address any issues raised. At the April 2003 meeting, the following offices should plan to make presentations in this regard:

1. **Code B** – an analysis of inputs received from the Office of Management and Budget related to NASA's strategic and performance plans and overall budget, and any recommendations for improvement;
2. **Code L** - an analysis of inputs received from Congress and any recommendations for improvement;
3. **Each Strategic Enterprise Code** – an analysis of inputs received by each Strategic Enterprise code from NASA's stakeholders related to their plans, programs and institutional responsibilities, any corrective actions planned or taken to address issues surfaced in the analysis, and any other recommendations for improvement.

Other customer inputs may be presented as deemed required by the Deputy Administrator. For example, Code AD may present an analysis of customer and stakeholder inputs received through the Administrator's Correspondence Control Office if deemed appropriate.

The ISO 9001 Program Office will contact codes B, L, and the Strategic Enterprise codes in early March 2003, to assist each office in developing the appropriate information for the April 2003, HQ Quality Council meeting. Questions should be directed to Mr. Scott Holliday, Director of the ISO 9001 Program Office at 358-1096, shollida@hq.nasa.gov.

Scott M. Holliday

Enclosure

Concurrence:

Michael B. Mann	Date
HQ ISO 9001 Executive Management	
Representative	

Approval:

Frederick D. Gregory	Date
Deputy Administrator	

Officials-in-Charge of Headquarters Offices:
AD/Mr. Gregory
AA/Mr. Stadd
ADT/Dr. Mulville
ADI/Mr. Jennings
AC/Gen. Armstrong
AE/Mr. Bradley
AF/Vacant
AG/Mr. Ciganer
AM/Dr. Williams
AO/Mr. Strassmann (Acting)
AS/Dr. Lucid
B/Vacant
 C/Mr. Sullivan (Acting)
E/Mr. Reese
F/Ms. Novak
G/Mr. Pastorek
H/Mr. Luedtke
I/Mr. Schumacher
J/Mr. Sutton
K/Mr. Thomas
L/Mr. Horner
M/Mr. Readdy
P/Mr. Mahone
Q/Mr. O'Connor
R/Dr. Creedon
S/Dr. Weiler
U/Ms. Kicza
W/Mr. Cobb
X/Mr. Saleeba
Y/Dr. Asrar

cc: (w/o Encl.)
A/Ms. Whewell
AM/Dr. Shepanek
AO/Mr. Radosevich
AS/Ms. Montrose
B/Mr. Mann
BR/Dr. Beck
BR/Ms. Wirsing
BX/Mr. Comstock
CF/Mr. Clement
CIC/Ms. Grimes
EC/Mr. Starnes
F/Ms. Saric
GK/Ms. Drinkard
HC/Mr. Walker
I/Ms. Cline
J/Mr. Harding
JI/Mr. Holliday
JI/Ms. Washington
JM/Dr. Tynan
JR/Mr. Harding
K/Mr. Diamond
LB/Mr. Stehmer
M/Mr. Fishkind
QS/Mr. Lyver
RS/Ms. Humphrey
SD/Mr. Albright
UM/Dr. Gavert
YB/Ms. Santa
X/Mr. Piasecky

Headquarters Quality Council Attendees
October 30, 2002

Name	Title/Organization
Frederick Gregory	Deputy Administrator Official-in-Charge, Headquarters Quality Management System
Daniel Mulville	Associate Deputy Administrator
Keith Hudkins	Deputy Chief Engineer
James Radosevich	Representing Paul Strassmann (Acting) Chief Information Officer
Shannon Lucid	Chief Scientist
Michael Mann	Director, Integrated Financial Management Program Office of the Chief Financial Officer, and Headquarters Quality Management System Executive Management Representative
Richard Beck	Representing Kenneth Winter Chief Financial Officer (Acting)
Timothy Sullivan	Director (Acting), Office of Headquarters Operations
James Starnes	Representing George Reese Assistant Administrator Office of Equal Opportunity
Bonnie Acoveno	Representing Vicki Novak Assistant Administrator Office of Human Resources and Education
Charles Duff	Representing Thomas Luedtke Assistant Administrator Office of Procurement
John Schumacher	Assistant Administrator Office of External Relations

Scott Holliday	Representing Jeffrey Sutton Assistant Administrator Office of Management Systems
Ralph Thomas	Assistant Administrator Office of Small and Disadvantaged Business Utilization
Barbara Cherry	Representing Charles Horner Assistant Administrator Office of Legislative Affairs
Gary Gaulkler	Representing William Readdy Associate Administrator Office of Space Flight
Paula Cleggett	Deputy Assistant Administrator Office of Public Affairs
Brian O'Connor	Associate Administrator Office of Safety and Mission Assurance
Suzann Humphrey	Representing Jeremiah Creedon Deputy Associate Administrator Office of Aerospace Technology
Kenneth Ledbetter	Representing Edward Weiler Associate Administrator Office of Space Science
Kristen Erickson	Deputy Associate Administrator (Acting) Office of Biological and Physical Research
Desiree Santa	Representing Ghassem Asrar Associate Administrator Office of Earth Science